

Memorandum

To: CHAIR and COMMISSIONERS

Date: August 10, 2011

From: BIMLA G. RHINEHART
Executive Director

Reference No. 4.19
ADDITIONAL
Information

Ref: 2012 State Transportation Improvement Program (STIP) Guidelines Hearing

ISSUE

What amendments should the Commission make to the STIP guidelines for the 2012 STIP?

RECOMMENDATION

Commission staff recommends that the Commission consider the below changes to the draft amendments to the STIP guidelines dated July 18, 2011. The proposed changes are highlighted.

STIP Guidelines Policies and Procedures Specific to the 2012 STIP:

Page 3:

Transit and Rail Projects. The 2012 STIP Fund Estimate indicates that there is negative (-\$542 million) program capacity for the Public Transportation Account (PTA). This means that many of the **transit projects currently programmed in the STIP will either have to be delivered with other funds (if the transit project is eligible for State Highway Account or Federal funds) or be unprogrammed.** A region in its RTIP, and Caltrans in the ITIP, shall indicate, for all currently programmed and new transit and rail projects, if the projects are eligible to be funded with Federal or State Highway Account funds. **Transit and rail projects currently programmed in 2012-13 through 2014-15 that are not eligible to be funded with Federal or State Highway Account funds must be unprogrammed. A region that unprograms a transit or rail project because the project cannot be funded with Federal or State Highway Account funds may nominate another project in its place.**

Article XIX of the California Constitution restricts transit and rail projects that can be funded with nearly all SHA revenues to the “research, planning, construction, and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services.”

Additionally, SHA revenues may not be expended for these purposes “unless such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended.”

This means, for example, that rail rolling stock and buses may be funded only from the Federal revenues in the STIP. For such projects, the non-Federal match (generally a minimum of 11½%) will have to be provided from a non-STIP source.

While PTA program capacity has been nearly eliminated, a region may still nominate transit and rail project in its RTIP within the aforementioned State Highway Account and Federal funding constraints.

Permanent STIP Guidelines

Page 22-23, Section 47:

Cost Estimates for Project Components. For each project proposed for programming, the RTIP or ITIP shall list costs separately for each of the 4 project components: (1) environmental studies and permits; (2) preparation of plans, specifications, and estimates, (3) right-of-way, and (4) construction. For the right-of-way and construction components on Caltrans projects, the RTIP or ITIP shall list separate costs for Caltrans support and for capital outlay. For Caltrans projects, that brings the total to 6 project cost components.

For each project component, the amount programmed shall be escalated to the year proposed for programming, based on the current cost estimate updated as of November 1 of the year the RTIP or ITIP is submitted. The standard escalation rate for the STIP shall be that specified in the fund estimate for the STIP. Caltrans or a region may elect to use alternative escalation factors for right-of-way or other costs as it deems appropriate. STIP costs and non-STIP costs will be displayed separately.

When project **design**, right-of-way or construction **is are** programmed before the sponsoring agency completes the environmental process, updated cost estimates shall be submitted in the RTIP or ITIP in the STIP cycle following completion of the environmental process.

Where a project or project component will be funded from multiple county shares or jointly from the interregional share and a county share, the amounts programmed from the different shares will be displayed separately. Amounts programmed for any component shall be rounded to the nearest \$1,000. For jointly funded projects, the county share or ITIP share contribution programmed for a component shall each be rounded to the nearest \$1,000.

BACKGROUND

Statute (Senate Bill 45, 1997) calls for the Commission to adopt STIP guidelines to serve as “the complete and full statement of the policy, standards, and criteria that the commission intends to use in selecting projects to be included in the state transportation improvement program.”

The statutes further authorize the Commission to amend the adopted guidelines after conducting at least one public hearing. The Commission most recently amended STIP guidelines on October 14, 2009 (Resolution G-09-11) and adopted an addendum to the STIP Guidelines for Local Alternative Transportation Improvement Programs on April 7, 2010 (Resolution G-10-06). The statutes call for the Commission to make a reasonable effort to adopt guideline amendments prior to the adoption of the fund

estimate. In no event may the Commission change its guidelines during the period between 30 days after the fund estimate adoption and the STIP adoption.

Draft guidelines were first distributed on July 18, 2011. A workshop on the draft guidelines was held on July 27, 2011.